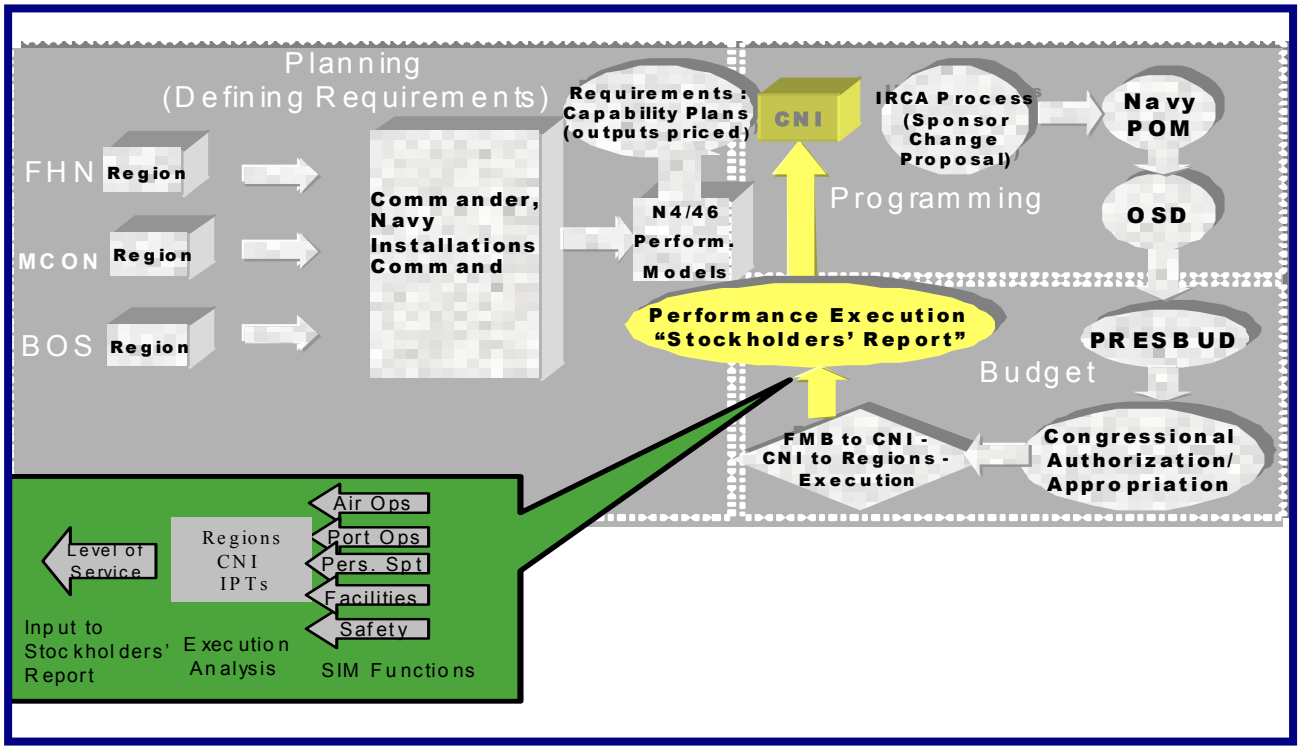
Introduction

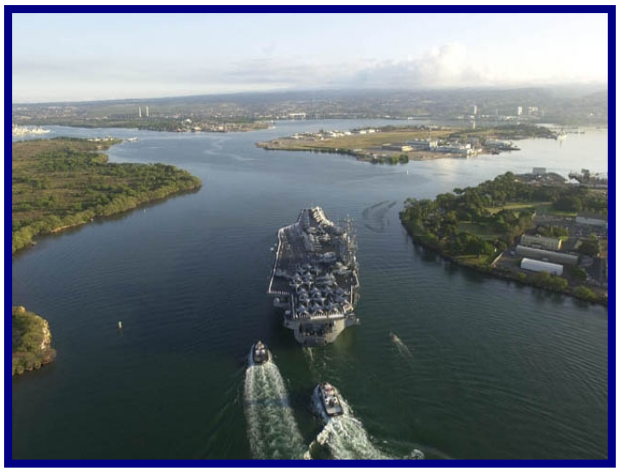
The Challenge

Fiscal Year (FY) 2003 has been a year of real challenge for our nation, our military forces, and certainly our Navy. The war in Iraq, the on-going war with terrorists, and the many emergent challenges arising from the ever-changing and turbulent, geo-political world scene all have been met superbly, but not without significant strain on our people, equipment, and ever-tightening fiscal resources.

Those challenges notwithstanding, our shore installation enterprise has made significant and steady progress along the transformation pathway to re-orient our shore support priorities in terms of core capabilities and outputs that best meet the needs of the operational forces and fleet readiness. While we have made good progress, we must continue to seek better ways to deliver the required support that maximizes both effectiveness and efficiency. Continued refinement and development of on-going initiatives including output-based performance metrics and models; best business practices and benchmarking; capabilities-based budgets; methodologies such as activities-based costing/management; and a mind-set that "challenges the assumptions" is essential in order that we leverage fully our limited fiscal resources for force recapitalization and modernization. Our operating forces today (and in the future), and the elements ashore that support them, must be underpinned by an agile, balanced, and transformed shore infrastructure in order to meet the increased demands of a "surge ready" posture.



Purpose – "The Product of the Plan"



This is the second Shore Installation Management (SIM) Stockholders' Report, providing a new and comprehensive examination and assessment of the state of the SIM community in the Navy. The term "Product of the Plan" is taken from CNO Admiral Vern Clark's guidance to our Navy to become more output focused. In this context, it describes what the Navy has achieved in FY 2003, with the $9.7B in SIM funding. The Stockholders' Report serves as an important element in the feedback loop to define and describe output performance and execution – the "Product of the Plan". The figure on the previous page depicts the SIM Planning, Programming, Budgeting, and Execution System (PPBES) process.

Background

The Shore Installation Management community encompasses all of the Navy regions and installations worldwide. These regions and installations exist for only one reason: to support our Navy ships, aircraft, and Sailors; and other mission commanders. The shore establishment is a complex enterprise, comprised of dozens of installations comparable to small to mid-sized cities each with its associated infrastructure, including in many cases, airports and harbors. Others incorporate shipyards, aviation depots, industrial activities, and major research and development facilities. Most provide common support functions like family housing, hospitals and/or medical clinics, child care, and shopping – exchange and commissary – facilities.

In FY 2003, our Navy regions and their respective shore installations were key contributors to the overall success as part of the Navy team in responding to world events and the many unique challenges mentioned earlier. While the accomplishments were significant, the war in Iraq and the fight with terrorists took its toll on SIM resources and had significant impact on our Sailors and their families. The real-world events of FY 2003 notwithstanding, the SIM community made substantial progress to transform the shore enterprise. In that regard, a key milestone event occurred – the establishment of a single Installation Management Claimant (IMC) responsible for all of SIM, Commander, Navy Installations Command (CNI). CNI is the result of years of evolution in the SIM community. In the past, SIM oversight was provided by as many as eighteen IMCs. These IMCs had core missions other than installation management. With so many IMCs essentially doing the same things in SIM, in differing ways in many cases, inefficiencies occurred. The Navy's shore infrastructure reflected this lack of a coherent, standardized approach to SIM, in terms of

the inefficient use of available resources and duplicated effort.

In the "CNO Guidance for 2003", the CNO stated:

"We developed a clear and concise vision -- Sea Power 21 -- to achieve a more powerful 21st century Navy. It provides the framework for how we will organize, align, integrate, and transform our Navy to meet the challenges that lie ahead.

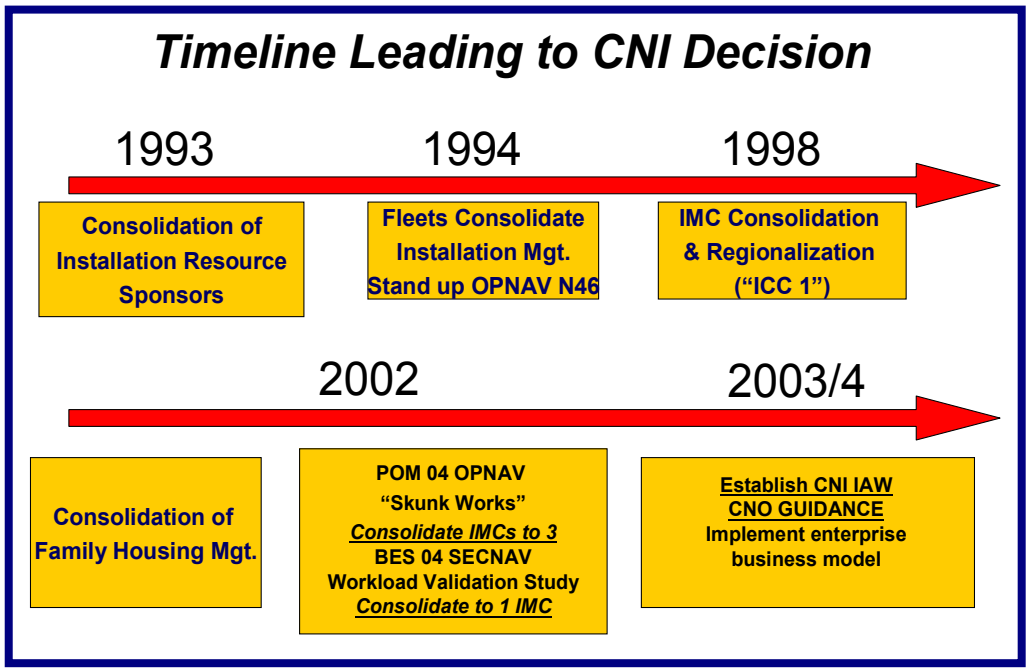
We must challenge every assumption and search for new and better ways to accomplish our tasks. We must refine requirements, conduct innovative operations, and optimally allocate resources to achieve efficiencies and recapitalize the Fleet."

This FY 2003 Stockholders' Report describes in detail the many innovative initiatives, actions, and business process changes either underway, or planned for the near-term, that describe how the SIM community is meeting the CNO's guidance. Pursuant to his FY 2003 guidance, the CNO provided specific actions for Navy leadership as depicted below.

CNO Actions for 2003

- ***"Be Ready"***
- ***Protect our nation, bases, ships, and Sailors***
- ***Achieve efficiencies to buy more ships and aircraft***
- ***Accelerate Sea Power 21 capabilities***
- ***Streamline and align manpower and skills mix***

In addition to his actions for leadership, the CNO also reemphasized his top five priorities: Manpower, Current and Future Readiness, Quality of Service, and Organizational Alignment. Under alignment, the CNO stated: "Aligning our organization is an on-going effort that involves continual assessment of processes and systems. The goal is to rapidly and efficiently deliver warfighting capability, while maximizing the growth and development of our people. When an organization is aligned, everyone from junior to senior shares an understanding of the goals and purposes of that organization, allowing them to contribute to their fullest." Consistent with



that theme (see timeline chart on previous page), he directed the establishment of CNI, "...with responsibilities for the operation, administration, and support of U.S. Navy installations worldwide, establishing a single claimant for all base operating support resources."

This new Navy command, commissioned on 29 September 2003, is the:

- Supporting Commander for Base Operations, providing the assistance required by the Supported Commanders
- Single responsible office, claimant, and honest broker for SIM
- Provider of unified procedures, standards, and practices for efficient management of installation support
- Performance model manager
- Overseer of funding, delivery of installation services, and implementation of efficiencies through Administrative Control (ADCON) of 16 regions and 98 world-wide installations that comprise collectively:
  - 2,017,736 Acres
  - $133,910,156,083 in Plant Replacement Value (PRV) (Building, Structure, Utilities)
  - 61,693 Buildings
  - 437,787,888 Bldg SF
  - 55,000 military and civilians
- Dual-hat as OPNAV N46

It is important to note that this report addresses the results of FY 2003, under the "pre-CNI" organizational alignment of eight Claimants, understanding that CNI was not commissioned until the last days of FY 2003. Considerable additional reference to CNI will be made throughout this report with supporting information in Appendix A.

SIM Strategic Plan

SIM involves, among other things, the coordination of policy, planning, budgeting, execution and reporting for all shore installation activities. As we transform our operational forces, our naval forces will need to be kept at a high state of readiness for longer sustained periods in order to meet the requirements of a rapidly changing world scene. As such, it is imperative that the Navy maintains and

operates its shore installations efficiently and effectively in order to provide optimal operational support to the warfighter, and meet requirements for both the current and planned future Navy force structure. In so doing, the Navy also must maintain critical facilities and make improvements incorporating technological advances wherever possible.

A Shore Installation Management (SIM) Strategic Plan was first completed in 1997. Subsequent transformation and other initiatives occurring across the SIM Community highlighted the necessity for retooling the strategic plan to review the SIM Mission and Vision, provide more distinct direction, and to establish a structure for applying and measuring the success of SIM strategies throughout the entire SIM Community. OPNAV N46, with support from each of the eight IMCs, initiated a process to revise the SIM Strategic Plan in February 2001. Two working groups - the Strategic Planning Working Group (SPWG), comprised of representatives from each IMC, and representatives from MCPON, NAVSUP, NAVFAC, and SECNAV, and the SIM Strategic Planning Board (SSPB), comprised of flag level representatives from each IMC, spearheaded the effort. By the end of June 2001, three O-6-level working group meetings and three flag-level decision boards had met in support of this strategic plan development effort. Ideas were submitted and developed for incorporation from both up and down the chain of command. The resultant product received buy-in from all key stakeholders including the Installation Management Claimants, MCPON's office, OPNAV N40, N41, N44, N45, N46 and N81, NAVSUP, NAVFAC, SECNAV, various Navy Regions, and NAVY IG.

This fully revised SIM Strategic Plan provided a new vision and mission for the SIM community, four attendant supporting goals, strategies, action items, and specific performance measures to achieve the goals. The SIM Strategic Plan, with the stated mission and vision (see below), provided guidance and tools for use over the ensuing five years that would assist markedly in SIM transformation efforts.

MISSION: *"Provide consistent effective and efficient services and support to sustain and improve Fleet Readiness."*

VISION: *"Our Navy ashore team - the bed-rock of Naval Operations worldwide - exceeds expectations Everyday – Everyway."*

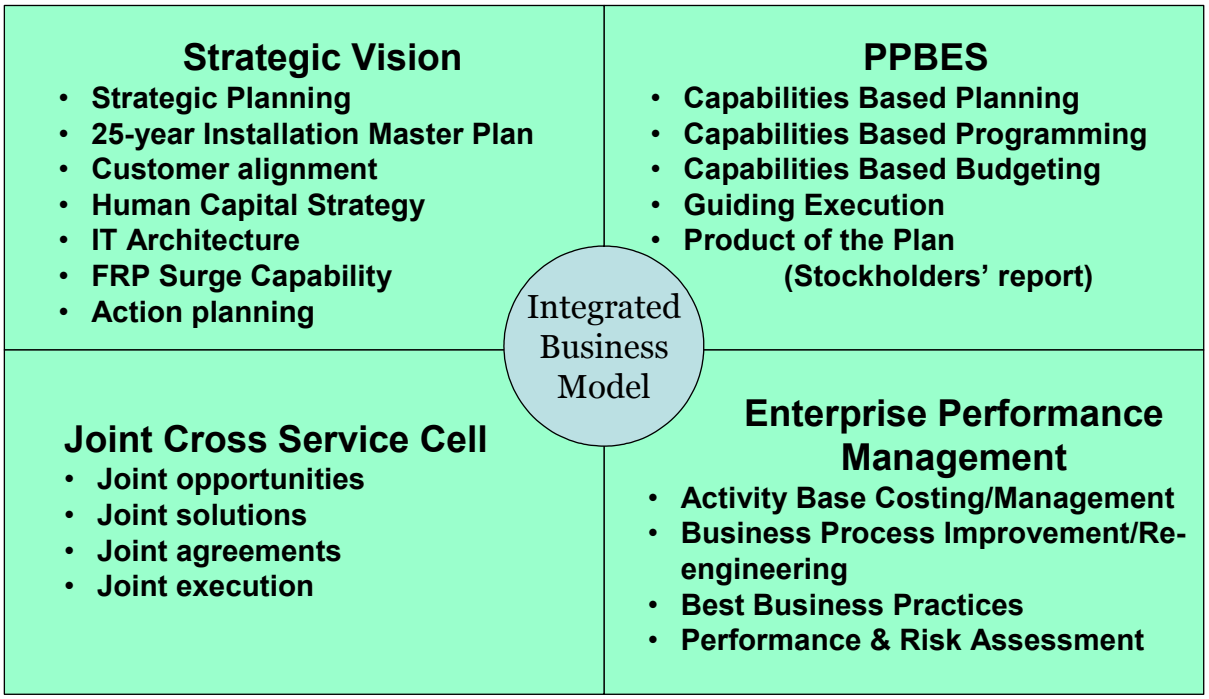
In late 2001, this completed, revised plan was briefed to the Navy's Shore Installation Programming Board and the VCNO. It is available electronically via the Navy SIM Clearinghouse web site at www.navy-im-clearinghouse.net. The FY 2002 SIM Stockholders' Report provided performance data for SIM functions vis-à-vis those planned, status on the top 13 SIM action items, and status on Strategic Plan execution. Further to strategic plan implementation, standards and service levels for 14 major SIM functions that comprise more than 80% of SIM resources have been approved by the SIPB, and the Navy Board of Directors. These standards, service levels (now called capability levels), were approved by the CNO in March 2003.

CNI will modify and update this current version of the SIM strategic plan to reflect CNI's new integrated business architecture (see chart).

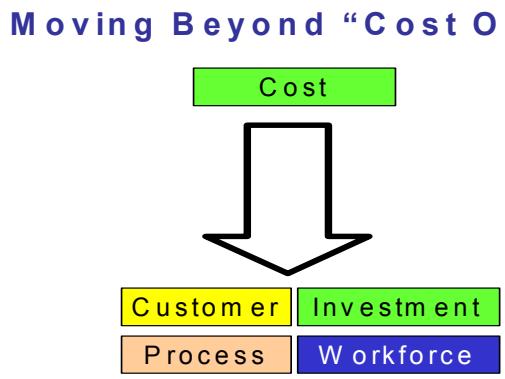
Balanced Scorecard

The Balanced Scorecard (BSC) has been in use in industry for nearly 10 years as a management system that helps clarify vision and strategy, and translate objectives into action. This is achieved through the development of metrics, collecting data, and conducting analyses relative to each of the perspectives. The four perspectives using a BSC approach that go beyond examining only costs are depicted below. Traditional approaches to performance measures generally involve measurements that are more "input" oriented or measuring after-the-fact parameters – how much money was spent, time lost, etc. The BSC approach views performance

New CNI Integrated Business Architecture



by identifying real-time parameters that focus on "output" and that provide management with the ability to make timely corrections. This balanced approach looks at the organization from four perspectives as noted below, instead of just one or two that focus only on funding related inputs.



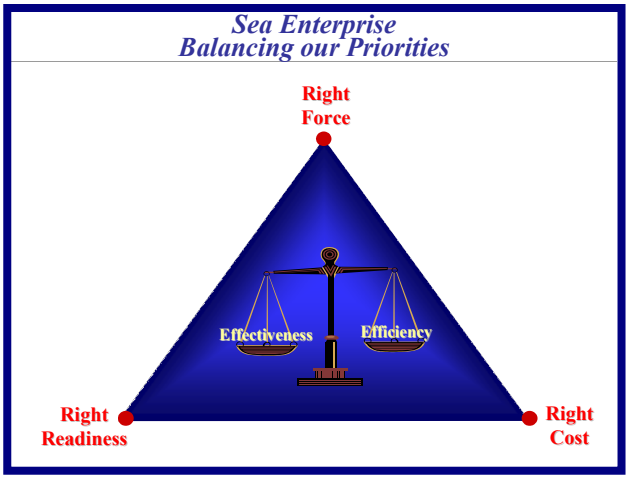
The BSC approach has created a more robust and higher quality product than previous efforts with greater buy-in among the many levels of SIM stockholders. As a methodology, it is in varying stages of implementation among the SIM regions. As enumerated in the current Strategic Plan, strategies, action items, and performance measures have been developed to achieve the four stated goals, with the focus on the highest priority items first (the top action items are addressed in more detail in Chapter 11). The aim has been to produce a structured, coherent plan listing what we want to achieve, how to achieve it, and how to measure success.

SIM Priorities

Key SIM actions and initiatives undertaken in 2003 have been in full consonance with the CNO's Top Five Priorities for the Navy. In 2004, coincident with the standup of CNI, SIM actions and initiatives will be reexamined and refocused to align with the 2004 CNO Guidance. Those priorities are:

- Manpower
- Current Readiness
- Future Readiness
- Quality of Service
- Organizational Alignment

First, in the area of Manpower, efforts continue to help ensure that our installations and activities are manned properly with the right mix of quality people – military (active and reserve), civilian (government service, wage grade, and temporary appointments), and contractor support. In-house reviews, efficiency studies, functionality assessments (FAs), and various strategic sourcing initiatives (e.g. A76) have been conducted to help ensure we are operating as most efficient organizations (MEO). In the area of Current Readiness, SIM support has been focused to provide the most effective and affordable shore support possible. The 2003 Stockholders' Report is an important step in describing the depth and breadth of that support. A key element in the support provided has been the collective process output (performance models, metrics, standards, risk assessments, etc.) of the SIM Integrated Process Teams (IPTs). These teams have been instrumental in the identification, development, and validation of functional requirements for the various SIM program areas, while leveraging from applicable best business practices from industry. SIM has been engaged fully in the homeland aspects of anti-terrorism and force protection, to include improving the security posture at our shore installations worldwide. In terms of Future Readiness, ongoing efforts and planned near-term actions such as Base Realignment and Closure 05, will help to size and shape our shore infrastructure further to balance both current and anticipated changes in force structure. As described more fully this report, there are a number of on-going programs that address improvement to the Quality of Service environment, including quality of life and quality of worklife programs. The management of these programs – programs that have direct ties to personnel retention and propensity for recruitment, is keenly apparent. In the area of Organizational Alignment ashore,



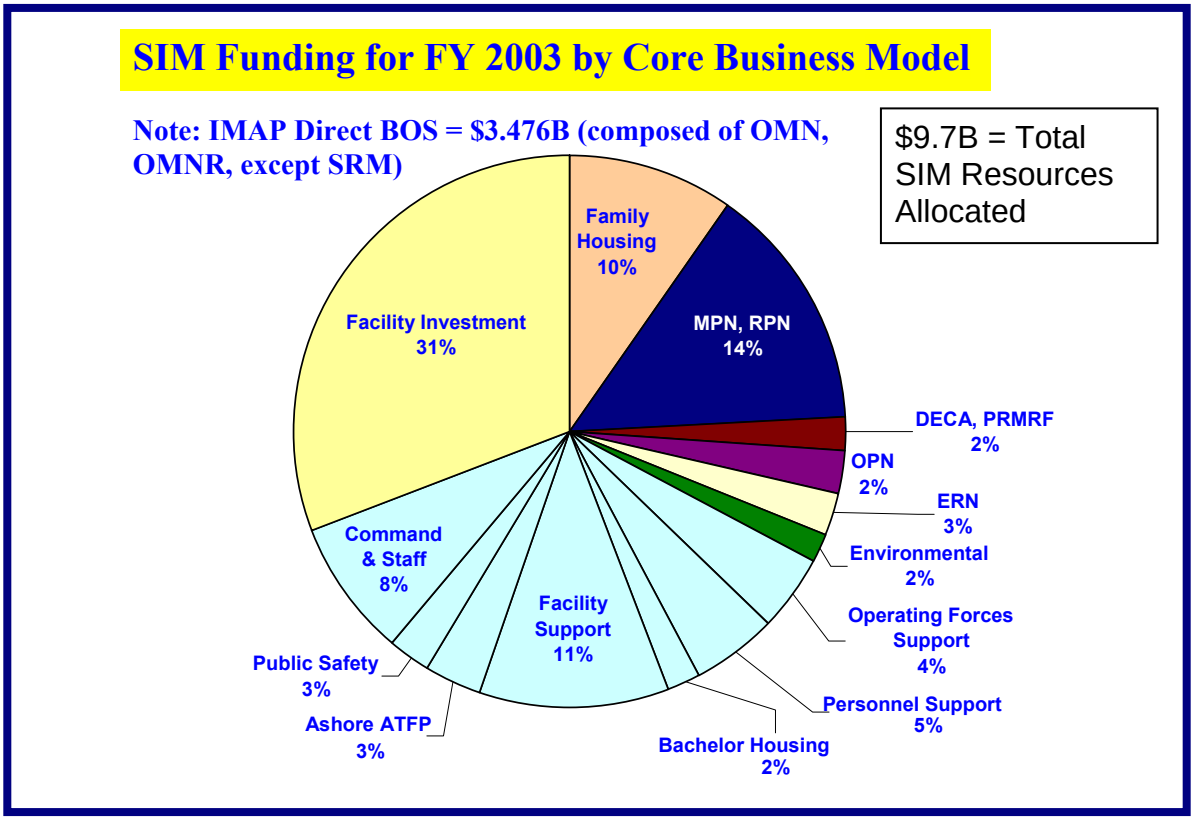
Commander, Navy Installations Command was established in 2003 as the single process owner for installation management. This has been the single most important initiative in addressing both organizational and financial realignment goals to transform the way we manage Navy installations to support the warfighter and other mission commanders.

Resources applied to SIM are definitely big business. In FY 2003, the Navy allocated close to $9.7B dollars to support the regions, shore installations, and facilities (see pie chart). The $9.7B figure represents an increase over the FY 2002 total of $8.5B, and largely is the result of increased facilities investment, utilities support, and facilities-related cost.

Prior to the establishment of CNI, Navy IMCs were responsible for allocating Base Operating Support (BOS) funding to their supported activities, and for managing the execution of funds received for Operations and Maintenance, Navy (O&M,N), Operations and Maintenance, Naval Reserve (O&M,NR), and Other Procurement, Navy (OPN) as part of the annual appropriations process. While this arrangement gave claimants control over their respective BOS programs, it was inherently duplicative, and as a result often inefficient. This arrangement also resulted in considerable variation in the level of service within a given business function because of differences in priorities, resources, and requirements among major claimants.

Migration

In FY 2003, the ability to identify, in some cases exactly, where and how allocated funds were expended was not precise. This limitation largely was because a major portion of the SIM business ($3.476B), referred to as OBOS (Other Base Operating Support), had been grouped together for many years to support a wide variety of functions. There are presently 20 different functional areas that comprise OBOS. Often in prior years, budget



reductions in this area may have occurred because there had not been an adequate (or totally accurate) means of expressing the associated funding reduction impact. One result was the migration of funds from one OBOS functional area to another OBOS functional area to cover bills that must be paid – such as moving ships, utilities, fire fighting, contracts, and airfield operations – and to address emerging or under-funded requirements. If must-pay functional areas were under-funded from the start, such migration became even more pronounced. It should be noted that in FY 2003, new Special Interest Items (SIIs) were approved to help alleviate this situation by "breaking out" the details of OBOS into discrete SIM functions. A chart showing a comparison of the new codes and what they represent are at Appendix B. The areas coded as "OB" represent OBOS.

Another form of migration that can occur, and frequently has, is when funds are "borrowed" from one functional area early in a fiscal year to fund different requirements. These funds are then repaid, but much later in the same fiscal year, sometimes as late as the last few days of the fiscal year. For example, the phasing of Sustainment, Restoration, and Modernization (SRM) funding in FY 2003, by quarter, indicates a "back-loading" of execution vice executing in accordance with the original plan for SRM projects.

SRM Quarterly Obligations			
1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
$245M	$288M	$477M	$870M
Source: IMAP FY 2003 Obligations shown for SRM			

Migration is indicated by examining the actual quarterly phasing of obligation authority compared to the planned quarterly resource allocations.

Integrated Process Teams

In part to help combat the SRM migration problem, the Navy's SIM leadership (OPNAV N4, N46, and Installation Claimants) agreed on the need to establish Navy-wide standards of services and metrics, and a common strategy for Program Objective Memorandum/Program Review (POM/PR) mechanisms to share ideas. In April 2000, SIM created Integrated Process Teams (IPTs) for 21 of the functional business areas identified in the Installation Core Business Model (ICBM). IPT members are a collection of subject-matter experts (SMEs), both active duty Navy and civilians, drawn from every region and numerous installations from around the world.

These IPTs were launched under the vision of enabling clear business decisions (i.e. decisions based on clear cost visibility), better defining requirements, and defining readiness links, standards, performance metrics, and levels of service (now called capability levels). The IPTs were divided into two groups – Blue and Gold. This approach concentrated the limited SIM fiscal and personnel resources on a smaller number of IPTs covering areas that represented approximately 80% of Installation Management Accounting Project (IMAP) obligations.

In FY 2002, the fourteen Blue IPTs focused their efforts on developing Navy-wide standards, levels of service, and associated metrics. They participated in their first Navy-wide performance data call – the results of which formed the analytical basis of last year's Stockholders' Report.

In FY 2003, the IPT deliverable expectations were reversed, with the Gold IPTs (Galley, Safety, and Religious Ministry in particular) accelerating their meeting intensity to refine further their performance metrics and to develop Capability Levels (i.e., levels of performance or service). The Capability Level Descriptors were approved at the end of FY 2003 and the three Gold IPTs identified above participated in the FY 2003 all-Navy performance data call along with the Blue IPTs. The results of these data calls form the basis for Capability Level comparisons in this report. Last year's report termed these CLs as Service Levels. They have been re-described to be more reflective of their output-related importance.

Key IPT goals include:

- Identify/validate true requirements and establish macro metrics (for building the Capability Plan)
- Establish Navy-wide standards
- Develop key performance metrics (quality and quantity) that enable an assessment of how well we are doing in meeting Navy-wide standards

- Provide links to readiness through Levels of Service and representative "descriptors" for each Capability Level (i.e., outcomes)
- Provide representative costing for each Capability Level
- Identify and integrate "best business practices"
- Benchmark against other services, government departments/agencies, and industry

More than twenty-one IPTs have developed approved macro metrics. POM-06's Capability Plan will be influenced heavily by the standards, capability levels and other associated costing data developed by these IPTs and approved by the SIPB. Importantly, the IPTs are methodically building the arguments and risk assessments that can be used in developing present and future Capabilities Plans. More importantly, they are establishing credibility based on the ability to set and establish valid requirements balanced against required funding.

Standards, Metrics, and Capability Levels

Central to the work of the IPTs has been the creation of a methodology to quantify the key aspects of each functional area. The goal was to establish Navy-wide service delivery standards and, equally as important, the associated metrics that would enable an assessment of performance output measured against the standard. The first step in this process involved researching and collecting existing standards and metrics, and comparing the degree of applicability to any related DoD/other service standards and metrics for possible use/adaptation by the Navy. Each standard, metric, and performance measure was then assessed to determine areas of commonality, and to identify gaps. Regional service providers were consulted to ensure the range of BOS services provided was consistent with the standards and metrics, and where indicated, assessed gaps. Working with this preliminary data a baseline template was created to ensure complete coverage of external support requirements.

The IPTs next identified the key processes within each functional area. Performance metrics, both quantitative and qualitative, were determined for each key process area and assigned "prototype" relative weights based on importance and impact. This data was applied to an Analytical Hierarchical Process/ Objective Matrix methodology with the overall Capability Level determined based on the cumulative scores of each functional/sub-functional area. To validate these figures, Navy-wide data calls (or in several cases, representative data tests) were conducted. The elements for these data calls were based predominantly on the performance metrics. After analysis of the data call results, it sometimes was necessary to adjust the weights for the key process areas and for the performance metrics. Finally, with the data validated, the Objective Matrices were populated using Navy-wide data. Appendix C provides a more complete description and additional information on this process.

IPT Name			
Quantity	Quality		
630	630	Performance	
950	950	10	CL1
900	900	9	CL1
800	800	8	CL2
700	700	7	CL2
600	600	6	CL3
500	500	5	CL3
400	400	4	CL4
300	300	3	CL4
200	200	2	CL4
100	100	1	CL4
<100	<100	0	CL4
6	6	Score	
49	51	Weight	Index
294	306	Value	600

The ten performance levels in the Objective Matrix (ranging from a low of 1 to a high of 10) were divided into four Capability Level categories (see chart on previous page), each broadly described in terms of the resources and expertise required to perform the mission (see chart below).

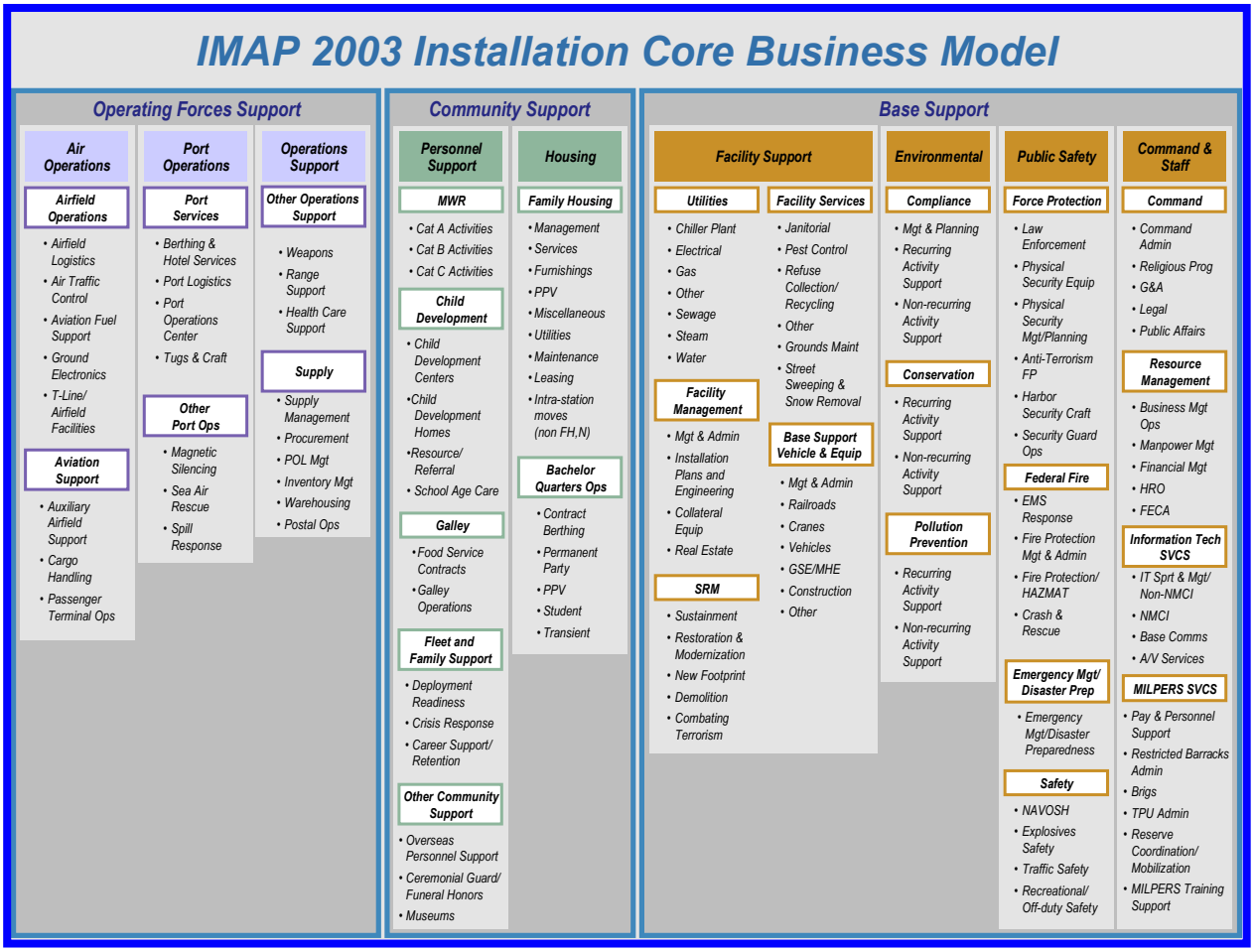
Generic Capability Level Definitions

- **CL 1**: Installation possesses the required resources and expertise to execute its ***full*** mission (full quantity and quality requirement).
- **CL 2**: Installation possesses the required resources and expertise to execute ***most*** of its mission (with degradation in both quantity and quality).
- **CL 3**: Installation possesses the required resources and expertise to execute ***many, but not all*** portions of its mission (with degradation in both quantity and quality).
- **CL 4**: Installation ***requires additional resources and/or training*** to execute its mission but may be directed to execute portions of its mission with resources on hand.

Each IPT, in addition to developing the Objective Matrix, crafted written descriptors for Capability Levels one through four describing, in broad terms, capabilities at that respective level. These capability levels can then be "costed" in terms of required fiscal resources, and quantified in terms of associated risk for Navy leaders. The intent was to clearly define the increased "level of risk" incurred as the Capability Level declined.

IMAP 2003 Core Business Model

The Installation Core Business Model (ICBM) was developed to provide more accurate and consistent cost accounting at installations within the Standard Accounting and Reporting System/Field Level (STARS/FL). The ICBM is also used to define common SIM business areas, functions, and sub-



functions that provide the basis for Navy-wide areas, functions and sub-functions that are managed by the installations, and funded through a consistent approach to installation cost accounting. The model addresses only BOS business areas. These functional area descriptions are used for building accurate requirements for the Capabilities Plan.

IMAP provides Navy leadership and their line managers with accurate data on the costs incurred to operate our shore infrastructure and the associated support services. Cost information furnished by IMAP is both structured and standardized, allowing leadership to make meaningful comparisons of past performance and identify areas requiring resource attention to ensure that they are applied in the most efficient manner. IMAP also addresses the increased scrutiny recently directed at base support expenditures. The IMAP chart on the previous page shows the Core Business Areas, the associated functions, and sub-functions. It should also be noted that a full-size view of this appears on the opposing page of the inside back cover.

Verification, Validation & Accreditation

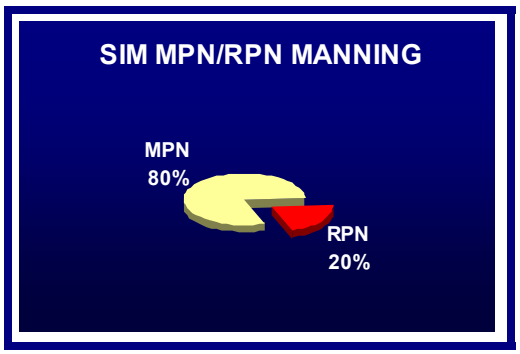
In order to meet the President's Management Agenda goal of integrating performance and the budget, SIM, where applicable, uses performance models in order to link performance with resources. Coupled with aligning resource management to the level directly responsible and accountable for results (i.e., Fleet), performance models are employed to determine near-term operating resource requirements for SIM. To meet this goal, all existing performance/pricing models associated with the programs are being subjected to the Verification, Validation, and Accreditation (VV&A) process.

An important by-product of the VV&A process is to establish credibility and confidence in model and simulation applications before making investment decisions. Another important aspect of the VV&A process is model data itself. The VV&A process addresses how data is obtained and used, whether or not the data will be evaluated, and if the results of one model feed into another.

For BOS, 12 out of 22 functional areas are currently modeled. Therefore, approximately 73% of the total $3.0B funds allocated to BOS are modeled and able to be tracked. Child Development, Fleet & Family Support, Galley, Disaster Preparation, Force Protection, Safety and Command functional areas (13% of BOS resources) are in the initial stages of model development and are scheduled to complete the modeling and V&V process in FY 2004. Other Operations Support, Other Community Support, Resource Management and Military Personnel Services (10% of BOS funds) are considered Level of Effort (LOE). These functional areas consist of varied sub-functions and are not readily associated with a macro metric or Capability Levels. These functions will continue to be studied through the IPTs to identify sub-functions that can be modeled. A final decision will be made in FY 2004 as to whether they will remain LOE or are to be modeled.

MPN/RPN

The Military Personnel, Navy (MPN) and the Reserve Personnel, Navy (RPN) appropriations account for a significant portion of the overall SIM funding in FY 2003. The Navy's SIM community provided Sailors with jobs and experience for the "shore" side of Sea-Shore rotation for many ratings and for the officer community as well. For FY 2003, the overall MPN/RPN contributions amounted to 14% of the SIM total of $9.7B. The split between the two appropriations in terms of personnel is shown in the chart below.



Of the more than 28,400 MPN/RPN personnel within CNI overall, the largest percentage of the personnel are associated under the Anti-Terrorism

Force Protection (AT/FP) function. The next largest functional area is the Air Operations Core Business Area.

SIM MPN/RPN MANNING PROFILE BY REGION			
REGION	MPN	RPN	TOTAL
CNI Headquarters	56	-0-	56
Southwest Asia	232	375	607
Europe	3,926	1,852	5,778
Guam	328	101	429
Gulf Coast	565	121	686
Hawaii	817	96	913
Japan	1,934	301	2,235
Korea	84	201	285
Mid-Atlantic	2,916	618	3.534
Mid-West	345	85	430
NDW	1,088	137	1,225
North Central	2	-0-	2
Northeast	1,442	274	1,716
Northwest	1,241	118	1,359
South	1,323	363	1,686
Southeast	3,308	758	4,066
Southwest	3,070	345	3,415
TOTALS	22,677	5,745	28,422

OPN

The Other Procurement, Navy (OPN) account provides for many different but necessary aspects of SIM resource requirements. The total OPN authorized in FY 2003 was $236.7M. This total compares to the OPN for FY 2002 of $154.4M. The OPN growth in FY 2003 largely reflected increases for Anti-Terrorism/Force Protection (AT/FP) and AT/FP-related issues.

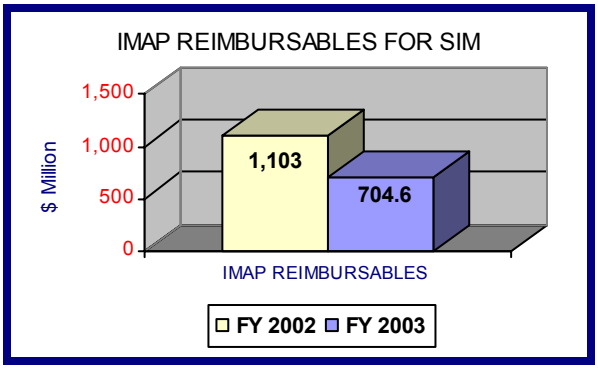
DECA/PRMRF

OPNAV N46 provided the BOS funding support to the Defense Commissary Agency (DeCA) for the entire Navy portion of the Defense commissary operations bill. The commissary benefit has long been rated as the second most important non-pay benefit to our Sailors, their dependents, and retirees. The FY 2003 Navy share of the DeCA bill totaled $148.9M.

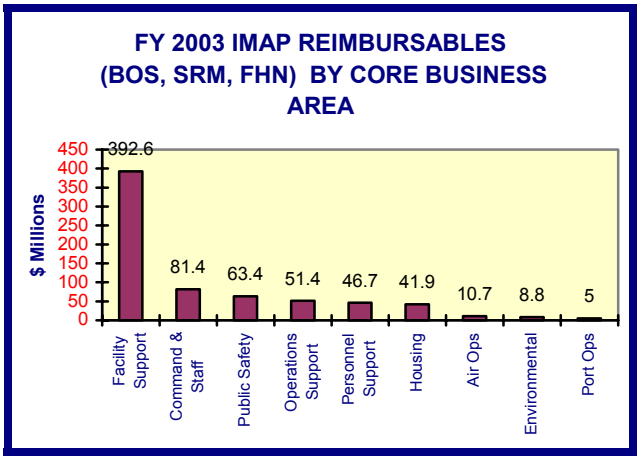
DCNO (Fleet Logistics and Readiness) (OPNAV N4) is the senior Navy voting member on the Commissary Operating Board (COB). This Board of Directors (BoD) provides Service representation, strategic DeCA oversight, and approves the agency's annual budgets and capital plans. The Pentagon Reservation Maintenance Revolving Fund (PRMRF) finances the activities of Washington Headquarters Service in providing office space, maintenance, protection, renovation, and a full range of building services for DoD Components, including the Military Departments and other activities housed within the Pentagon Reservation. It is designed to operate on a break-even basis over the long term. Revenue is generated from various sources, but is primarily dependent upon funds collected through a basic user charge for space and building services. The Navy's share in FY 2003 was $56.6M

REIMBURSABLES

Within Shore Installation Management, the Regional Commanders are the recipients of significant funding in the form of reimbursables. While we do not program (POM) for reimbursables, they can often drive the requisite size of SIM facilities or their capacity. For FY 2003, this reimbursable funding went down by more than one-third.



The reimbursables for FY 2003 are recorded in IMAP by Core Business Area as shown below:



SR Organization by Chapter

The Stockholders' Report is structured to parallel as closely as possible the IMAP 2003 structure previously described. Each of the core business areas has its own chapter.

The Chapters: The chapters covering the core business areas are numbered 1 to 9 going from left to right on the IMAP model. Each chapter is similarly organized. On the first pages is an overview of the particular business area showing its funding percentage, overall highlights, and Capability Levels attained for the year. At the end of each chapter overview is a yellow-shaded box, titled "Product of the Plan," which contains the key summary highlights for that functional area.

Following the overview, each function and sub-function will be addressed in detail, and also followed by a "Product of the Plan" box. A main feature of these key highlights is the comparison of the Capability Level achieved for a particular function against the Status of Resources and Training System (SORTS)/C-Level Readiness Rating used in the OPNAV N46 BAM submission for PR-03. These C-Ratings were used in PR-03 by the IMCs for the development of overall requirements and defined as shown in the accompanying box. While there is not a direct correlation between the C-Readiness Ratings and the Capability Levels, there are close parallels for rough parity. Future Stockholders' Report editions will incrementally include expected versus actual comparisons of Capability Levels vice use of C-ratings.

SORTS/C-Level Readiness Ratings Definitions

- **C-1**: Unit possesses the required resources and is trained to undertake the ***full*** wartime mission(s) for which it is organized or designed – meets 95 to 100% of the mission requirement.
- **C-2**: Unit possesses the required resources and is trained to undertake ***most*** of the wartime mission(s) for which it is organized or designed – meets 90 to 94% of the mission requirement.
- **C-3**: Unit possesses the required resources and is trained to undertake ***many, but not all*** portions of the wartime mission(s) for which it is organized or designed – meets 85 to 89% of the mission requirement.
- **C-4**: Unit ***requires additional resources and/or training*** in order to undertake its wartime mission(s), but it may be directed to undertake portions of its wartime mission(s) with resources on hand – meets 84% or less of the mission requirement.

The overall SIM approach to the BSC methodology and the Priority SIM actions for FY 2003, are addressed in Chapters 10 and 11 respectively. The report concludes with Chapter 12 which provides a review of key lessons learned and a look toward the future.

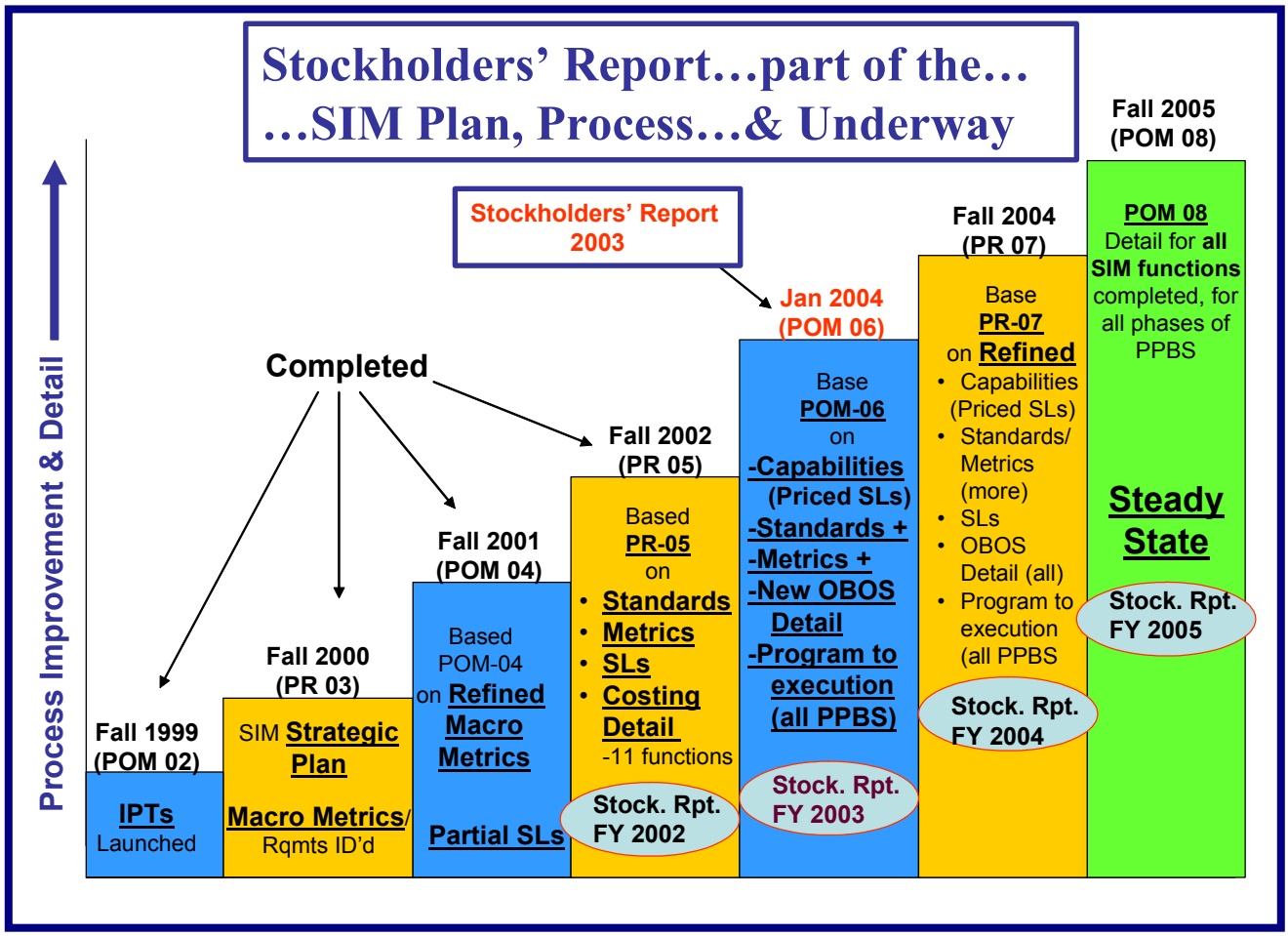
Appendices: Each core business area has its own appendix at the end of the report. These provide additional details to supplement the information included in the chapters themselves. Capability Level descriptors are included for each functional area that has an IPT, and that have been approved by the SIPB.

There are also several other appendices addressing: CNI – its mission, vision, organization, and other facts not discussed in the main report; IMAP 2003, and a comparative chart displaying the new SIIs for FY 2003. In addition, there is an appendix that shows the procedures followed by the IPTs in determining Capability Levels, including a sample Performance Data Call and its accompanying Objective Matrix. New to this year's report is an appendix listing SIM success stories. Finally, there is a glossary of terms and a list of acronyms used throughout this report. Appendix H notes some Regional Success Stories and efficiencies achieved to date.

Funding Comparisons: Throughout this report, there are references that are specific to different phases of the Planning, Programming Budgeting and Execution System (PPBES) process. For some appropriations there is good visibility throughout the process – MILCON for example. For other functional areas, the visibility is not currently as clear given that a number of functional areas are rolled into the single OB Special Interest Item (SII) code – Air and Port Operations for example. For these less visible functional areas, the report provides a chart that shows the progression of funding from full requirements in the earliest stages on POM, through overall FY 2003 obligations.

The obligations shown as "IMAP direct BOS obligations" for FY 2003 are all taken from the most recent IMAP funding report available on the SIM Clearinghouse website as of 23 December 2003. These obligations are total BOS obligations, but do not include reimbursable funding, since the Capability Plan requirements are based on direct funding only. Comparisons are made in the report relating to the total IMAP direct BOS obligations for FY 2003, which total $3.5B in OM,N and OMN,R Total Obligational authority (TOA). SRM obligations are addressed separately and total $1.8B in FY 2003.

The chart below describes the evolutionary progress underway within our SIM community.




SUPPORTING
THE WARFIGHTER

SAVING LIVES FROM THE SKIES

NASB SAR team responded to a distres call on June 26th, when it was reported that a hiker in a remote to location on the Bemis Mountain section of the Appalachian Trail had passed out and was unresponsive.

NAVRIIP Team Identifies Unique and Aggregate Barriers

In December 2002, the NAVRIIP team changed its focus to T/M/S barrier identification vice site specific reviews. The use of across-the-board representation of top-to-bottom support is a key advantage of the T/M/S strategy.

The Fighting Tigers Return from Deployment

The "Fighting Tigers" flew more th missions and 2,700 hours in suppor Operation "Iraqi Freedom." Trainin execution by aircrews and mainten personnel enabled the safe comple more than 700 missions and 7,500 h hours.

VP-26 Surpasses 41 Years of Mishap-Free Flying

In August, Patrol Squadron 26 (VP-26) surpassed 41 years of mishap-free flying, an outstanding record recognized by both the Navy and by the Federal Aviation Administration (FAA). Team Trident has flown over 296,000 hours without a mishap.

Air crews from Brunswick Naval Air Station are flying missions over Iraq

After weeks of silence, the Navy confirmed Thursday that a 400-member squadron from the Brunswick base has been taking part in the war, flying its planes to Iraq from an undisclosed air base in the Mediterranean.

European air facilities increased airfield operations

Souda Bay, Greece averages 12 dai aircraft events which jumped to 5 events, up 466%. Sigonella, Sicily increased to 68 daily events, up 11 Rota, Spain increased to 32 daily up 133%.

Commander, Fleet Activities Okinawa: 41 years aviation mishap-free

Two Navy air wings, four helicopter squadrons and four VRC COD squadrons, totaling 114 aircraft safely flew 945.5 flight hours and moved 840 passengers and 7.7 tons of cargo with the station's two UC-12F aircraft.